

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. The Ministry of Timber and Cellulose Industries, located at 3 Strada Bursei, Bucharest, is responsible for the felling and processing of timber and the manufacture of cellulose and paper. It employed 450 persons until 31 December 1951, at which time a large number were dismissed. 25X1
2. Until the end of 1950 the Ministry had direct control over forestry enterprises such as the IPEIL (Intreprinderile pentru Exploatarea si Industrializarea Lemnului - Enterprise for the Exploitation and Industrialization of Wood). Then the Ministry was completely reorganized, decentralization was introduced, and control of the IPEIL was given to new organizations called Trusts, with the Ministry dealing only with general problems such as planning and statistics. Organizationally the Ministry is responsible for the Trusts, and the Trusts for the IPEIL. The most important departments of the Ministry are those responsible for planning, processing and marketing of timber, control of cellulose and paper, accounting and finance and administration.
3. There are seven Trusts in Rumania, located in Bucharest, Stalin (Brasov), Valea Muresului, Campulung Moldovenesc, Arad, Pitesti, Baia Mare. Each Trust covers one or more forest areas and constitutes an administrative area as regards the IPEIL.
4. Since the reorganization the designation IPEIL has applied only to forestry enterprises proper; i.e., sawmills and wood processing industries. Each IPEIL consists of one or more such enterprises, combined into a unit for purely administrative reasons. Generally speaking, the IPEIL between them cover the available forest areas either already being exploited or about to be exploited for timber, with the exception of the Bistrita-Vatra Dornei area, which already belongs to Sovromlemn, and the large and very valuable Turnu-Severin-Valea Jiului area, which is also about to be incorporated by Sovromlemn.

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25 YEAR RE-REVIEW

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5. In January 1952 Rumania and the USSR were negotiating an agreement which would give the Turmu Severin forest area to the USSR in exchange for several smaller and less valuable areas (former German or Italian property such as Buzau-Nehoiul), which the Ministry had already exploited for a considerable period on its own account. Once it is Soviet property, the area will be incorporated in the Soviet contribution to Sovromlemn.
6. The most important forest areas owned by the Ministry are Valea Muresului and Campulung Moldovenesc.
7. The total value of the sawmills and timber industries owned by the Ministry was estimated in December 1951 at approximately 12,000 million lei.
8. The Ministry, through the Trusts, owns a total of 300 sawmills, 50 of which have three or more saws. All the equipment is old, no new machinery having been imported by the Ministry. The most important of these sawmills are:
 - a. IPEIL Iernuteni of the Valea Muresului Trust. This unit consists of one mill with eight saws, and produces building timber, pleasure craft and crates.
 - b. IPEIL Lunca Bradului of the Valea Muresului Trust. One sawmill with six saws produces building timber and crates.
 - c. IPEIL Vatra Moldovita of the Campulung Moldovenesc Trust. This unit consists of four sawmills, one of which has eight saws, two have two saws each, and one has one saw. They all produce building timber.
 - d. IPEIL Frasin of the Campulung Moldovenesc Trust. This consists of a single sawmill with four saws and produces building timber.
 - e. IPEIL Gura Humorului of the Campulung Moldovenesc Trust. This has one sawmill with four saws and produces building timber.
9. In addition to the mills listed above, the Ministry owns another 20 sawmills in the Bistrita-Vatra Dornei area. As the forests in this area are part of the Sovromlemn properties, the mills have been leased to Sovromlemn for 50 million lei per year. In January 1952 negotiations were in progress concerning their final transfer to Sovromlemn. The largest of Sovromlemn sawmills is at Vaduri, 10 or 12 kilometers from Piatra Neamt. It is fairly new, having been in operation only since 1949. It consists of six saws, including three Rapid models, imported from Finland, whose output is four times as great as that of an ordinary saw. At the end of 1951 Sovromlemn opened another large sawmill at Dorna, the Combinatul Forestier. It is equipped partly with old saws taken from the Ministry's mills rented to Sovromlemn and partly with some new saws imported
10. Plywood is made only by factories owned by the Ministry, the most important of which are:
 - a. Gugesti Factory at Gugesti, of the Bucharest Trust (near Ramnicu Sarat).
 - b. Deta Factory at Deta, of the Arad Trust (near Timisoara, on the Yugoslav frontier).
 - c. Tudor Vladimirescu Factory at Turnu Severin, of the Pitesti Trust.
 - d. Factory at Satu Mare, of the Baia Mare Trust.
 - e. Factory at Caransebes, of the Arad Trust.

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The Tudor Vladimirescu Factory at Turnu Severin is estimated to produce 1,750 cubic meters of plywood per year. (This calculation is based on the fact that factories of this type usually store a third of their annual production. At a stocktaking in the Turnu Severin Factory in 1951 it was calculated that the stock was worth 14 million lei, or a production value of 42 million lei for that year. In 1951 the price of a cubic meter of plywood was 24,000 lei. The Gugesti and Deta factories are each five or six times as large as that at Turnu Severin, and the factories at Caransebes and Targu Mures are the same size. Production at the Satu Mare Factory has been cut down.

11. The largest Rumanian furniture factory is at Targu Mures, and it is said to be the largest in Southwestern Europe. The factory is completely new and started production in 1951. [redacted] It produces only one type of furniture, and the entire output is exported. 25X1
12. There are 12 cellulose and paper factories in Rumania, the best known of which are at Busteni, Piatra Neamt, Zarnesti and Molid (cardboard).
13. The forest areas owned by the Ministry have been almost depleted of soft woods, and in 1951 measures were taken to increase the felling of hard wood. The production of soft wood in 1951 is estimated at $1\frac{1}{2}$ million cubic meters, the same as in 1950. Since 1950 there has been no change in either the official planning or the equipment available. The timber felled is insured every year. In 1950 it was insured at 8,000 lei per cubic meter, or 12,000 million lei for the year's production; i.e., $1\frac{1}{2}$ million cubic meters. Production of hard wood is estimated at roughly equal to that of soft wood; i.e., approximately $1\frac{1}{2}$ million cubic meters.
14. The following personalities are known:
 - a. Irina Pop Eleches (Elekes), director of accounting and finance department. [redacted] 25X1
 - b. Haber (fnu), deputy minister. [redacted]
 - c. Adalbert Harap, adviser to the ministry. [redacted]
 - d. Prisnea (fnu), Minister. [redacted]

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